GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:3568
ANSWERED ON:22.12.2004
DECLINE IN EARNING PCOS
Sarma Dr. Arun Kumar

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government is aware of the problem of gradual decline of the earning from PCOs due to frequent lowering of tariff and expansion of mobile network over the year;

(b) if so, the action taken by the Government for economic viability of the PCOs;

(c) whether the Government has received any representation from all Assam PCO Association with Specific suggestion to partially mitigate the problem; and

(d) if so, the details of action taken thereupon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) Sir, the earnings from PCO depend upon:

(i) Number and duration of STD/ISD calls made and service charges etc.

(ii) Number of local calls made.

Due to reduction in STD/ISD tariff and increase in mobile base, the volume of traffic has increased and it is observed that there is no appreciable decline in the earnings from PCOs.

(b) Even though BSNL does not guarantee any earning to the PCO franchisee, the measures taken to enhance their earning are:

(i) STD/ISD PCO franchisees have been given permission to sell India Telecom Card (ITC) & earn commission.

(ii) Additional STD/ISD PCO line at the same premises is allotted if desired by the franchisee.

(iii) Franchisees are allowed to upgrade their PCOs into Information Technology Kiosks.

(c) Yes, Sir. The All Assam PCO Association in their representation has demanded an increase in the commission from 20% to 40% and vendorship of different postal items alongwith the PCOs.

(d) PCOs franchisees are permitted to obtain vendorship of Postal items. The Local PCO franchisees are already given 40% commission. The STD/ISD PCO franchisees are allowed commission ranging from 20 to 25% depending upon the level of competition. It is not viable to further increase this commission in view of the downward revision of tariff and reduced margins due to competition from private operators.